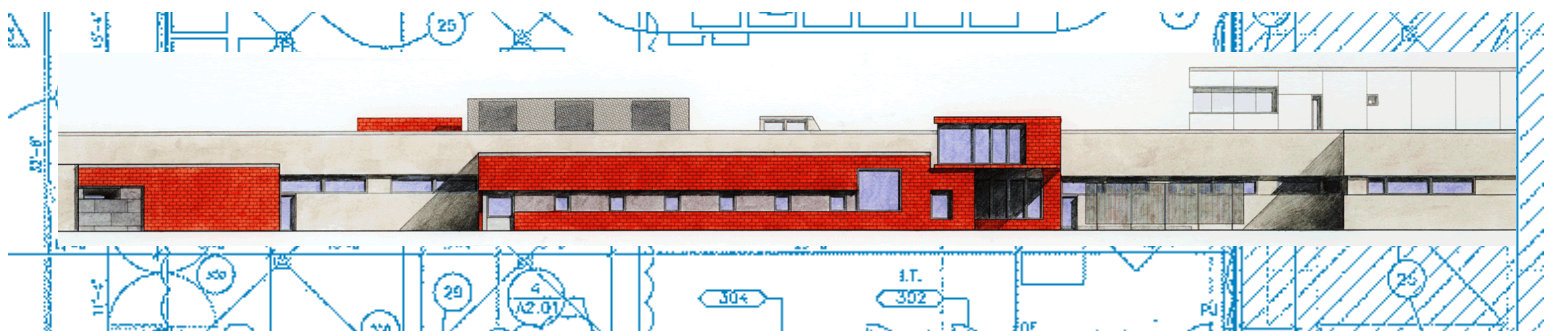


MARICOPA COUNTY FIRST QUARTER FY 2001-02 FINANCIAL & PERSONNEL RESULTS REPORT



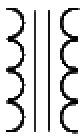


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Maricopa County Financial & Personnel Results Report 1st Quarter FY 2001-02
Prepared by the Office of Management & Budget



Maricopa County Officials

Board of Supervisors

Janice K. Brewer, Chairman
District 4

Fulton Brock
District 1

Don Stapley
District 2

Andrew Kunasek
District 3

Mary Rose Garrido Wilcox
District 5

County Administrative Officer

David R. Smith

Deputy County Administrator

Sandra L. Wilson

Maricopa County, 301 W. Jefferson, Suite 1070, Phoenix, AZ. 85003
Phone (602) 506-7280 Fax (602) 506-3063
(www.maricopa.gov/budget/management.asp)



Introduction

Achieving Countywide strategic performance results, increasing employee job satisfaction and providing a better quality of life for employees, requires successful financial and personnel resource accountability. The 1st Quarter Financial and Personnel Results Report for FY 2001-02 provides management with the tools necessary to achieve organization objectives and measurable results in order to assess emerging personnel trends and make informed decisions. Accomplishing personnel strategies and improving accountability processes requires successful management of funded positions, administration and control of staffing resources and financial and personnel decision-making based upon accurate and timely data. The Office of Management and Budget (OMB) works to provide this information and ensure full funding for all positions through the Funded Position Policy and the Lump Sum Budgeting Guidelines used in preparation of the annual budget.

Maricopa County's financial and personnel resource strategies focus on the recruitment and retention of productive employees. Retaining highly productive and accomplished employees requires alignment of employee performance with a personal commitment and cooperation in attaining Countywide objectives. Crucial elements of these processes include:

- Compensation, including wages, benefits and employee leave programs.
- Development of employee relations programs.
- Ongoing development and maintenance of programs, processes, services, resources, and training to enhance the health, morale, productivity, and organizational knowledge of employees Countywide.

The operational and financial impact of human resources issues, trends, position control, recruitment and staff retention are contained in the following sections:

- Highlights
- Personnel Costs & Savings
- Attrition (Turnover Rates)
- Employee Retention
- New Directions

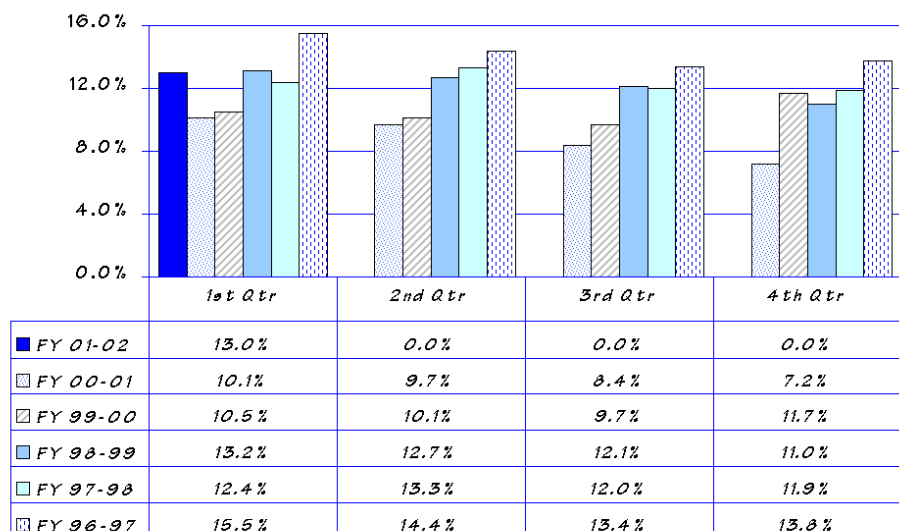
Information concerning departments with small numbers of employees (less than 25) should be used with extreme caution. A change of one or two vacancies, positions or terminations reflects a higher percentage change than those same movements within larger departments. These higher percentage changes may or may not reflect significant issues within these smaller departments.

Highlights

1st quarter FY 2001-02 Countywide Attrition¹, or turnover, is 13.0%, up 4.1 basis points from the FY 2000-01 average annual rate of 8.9%. This singular attrition rate increase primarily appears to be the result of increases in the number of new positions authorized in the FY 2001-02 budget process that were not filled during the 1st quarter.

As demonstrated on the *Quarterly Attrition Rate Trend* chart at right, attrition for the 1st quarter of FY 2001-02 increased to its highest level since the 1st quarter of FY 1998-99 when it was 13.2%. As of September 30, 2001, 2,056 positions were vacant, an increase of 95 vacancies or 4.6% since June 30, 2001. 128 new positions were added through the budget process, which explains the sudden rise in attrition.

QUARTERLY ATTRITION RATE TREND



The table below lists the departments with the highest 1st quarter FY 2001-02 attrition rate as compared to the average annual attrition for FY 2000-01.

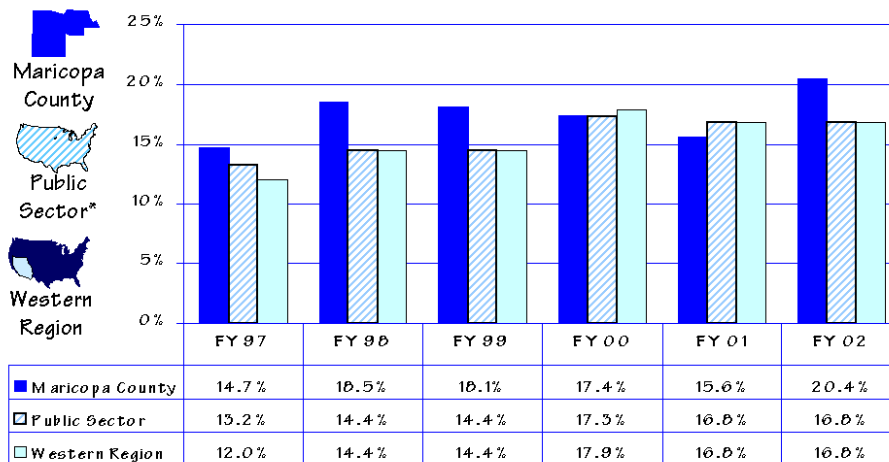
| MARICOPA COUNTY CALCULATED ATTRITION COMPARISONS | | | | |
|--|--|------------------------------|---------------------|--|
| Department | 1 st Quarter FY 2001-02 Attrition | Average FY 2000-01 Attrition | Increase (Decrease) | |
| Health Care Mandates | 40.4% | 34.3% | 6.1 | |
| Correctional Health | 29.1% | 14.0% | 15.1 | |
| Maricopa Health System | 27.8% | 19.0% | 8.8 | |
| Superintendent of Schools | 26.7% | 5.0% | 21.7 | |
| Maricopa Health Plan | 23.0% | 19.2% | 3.8 | |
| Finance | 18.4% | 12.6% | 5.8 | |
| Public Health | 18.2% | 11.2% | 7.0 | |

¹ The formula used to calculate Maricopa County's attrition rates compares the number of vacant positions to total authorized positions.

Another source and methodology used in calculating attrition is the Bureau of National Affairs, Inc., (BNA) calculation². Maricopa County utilizes the BNA formula in order to measure itself against other comparable employers. 1st quarter FY 2001-02 BNA calculated Countywide attrition is 20.4%, up 4.8 basis points from the Countywide FY 2000-01 annualized rate of 15.6%. This singular increase is due, in part, to the County's ability to now track multiple employee separations occurring within the same position during a quarter.

Employee turnover rates remain a major concern for employers nationwide³. Near record levels (of 22.2% for the public sector) were reported nationally during the 3^d quarter of FY 2000-01. This average was one of the highest points reported in two decades.

BUREAU OF NATIONAL AFFAIRS, INC. CALCULATION OF ATTRITION



*BNA Public Sector (includes health care) and Western Region reported for 12 months ending 06/30/01 annualized, Maricopa County YTD Annualized FY 01-02 (includes health care).

Two departments have the greatest impact upon YTD 1st quarter FY 2001-02 BNA calculated attrition for Maricopa County, the Maricopa Health System and the Sheriff's Office. This is due to the large number of separations occurring during the quarter. 23.8% of all separations during the 1st quarter FY 2001-02 were in the Maricopa Health System, and 16.7% in the Sheriff's Office. For more information regarding these results, see the attrition section of this document.

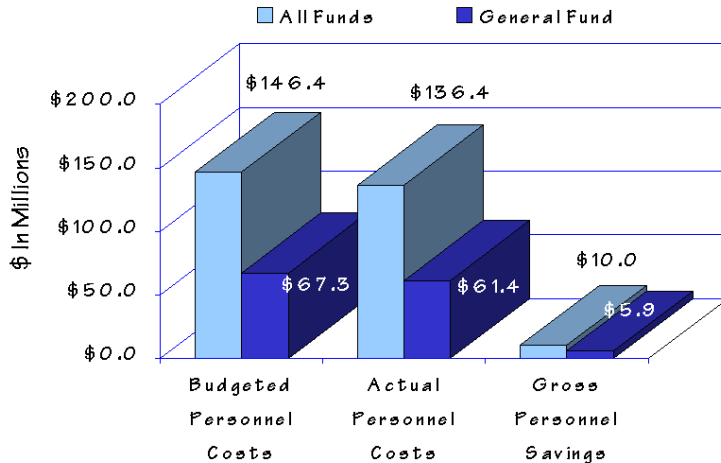
Maricopa County's 1st quarter FY 2001-02 gross actual personnel savings⁴ for all funds (excluding grants) of \$10.0 million represents a 6.8% savings over budget. General Fund 1st quarter FY 2001-02 gross actual personnel savings of \$5.9 million represents an 8.8% savings over the General Fund budget.

² BNA formula used to calculate attrition rates compares the number of separations to the average number of regular positions filled and annualized. BNA turnover rates do not include reductions-in force.

³ The modest abatement in attrition from FY 1999-00 to FY 2000-01 is not uniform across sectors or regions.

⁴ Personnel savings are grouped by fund in this document. The General Fund is a general operating fund set-up to account for the resources and uses of general governmental operations of the County. Taxes provide most of these resources. Enterprise funds are accounted for in a method similar to private business enterprise, where user fees are intended to recover expenditures. Special Revenue Funds are restricted to use by statute and local policy. The personnel savings section of this document places emphasis upon General Fund personnel savings. This fund has the greatest impact upon the citizens of Maricopa County. All other sections of this document which make reference to personnel savings include all funds (excluding grants).

PERSONNEL SAVINGS RESULTS 1ST QUARTER FY 2001-02



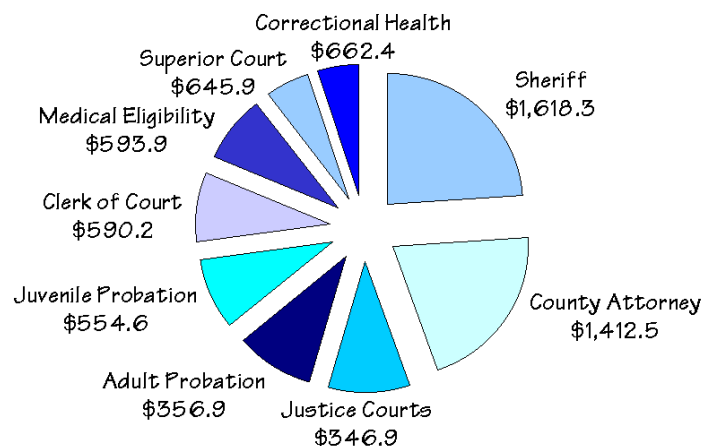
The chart at left compares 1st quarter FY 2001-02 personnel savings results for all funds (excluding grants) to those of the General Fund.

General Fund 1st quarter FY 2001-02 departments showing the highest gross personnel savings are provided on the table below.

| GENERAL FUND MAJOR GROSS PERSONNEL SAVINGS BY DEPARTMENT | |
|--|--------------|
| County Attorney | \$ 1,171,759 |
| Sheriff | \$ 684,228 |
| Medical Eligibility | \$ 593,904 |
| Clerk of Superior Court | \$ 412,328 |
| Indigent Representation | \$ 407,174 |
| Superior Court | \$ 337,074 |
| Justice Courts | \$ 325,192 |
| Facilities Management | \$ 201,745 |
| Health Care Mandates | \$ 189,593 |

MAJOR GROSS PERSONNEL SAVINGS BY DEPARTMENT FOR ALL FUNDS

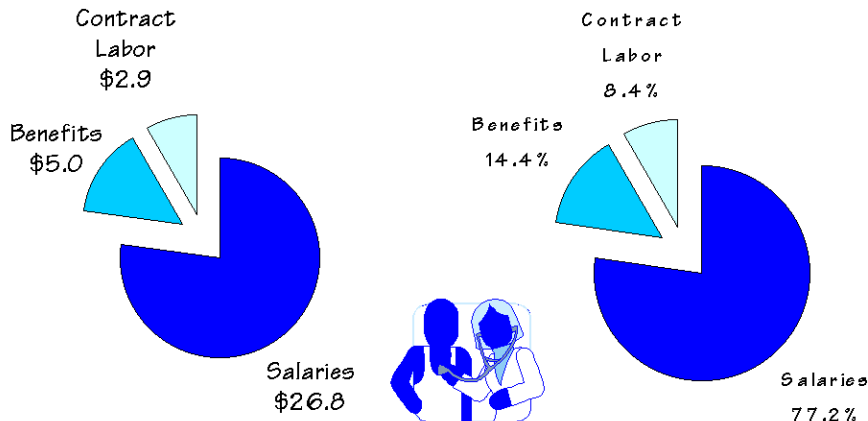
(\$ In Thousands)



The chart at right shows major gross actual personnel savings for all funds (excluding grants) by department for the 1st quarter FY 2001-02.

MARICOPA HEALTH SYSTEM PERSONNEL & CONTRACT LABOR

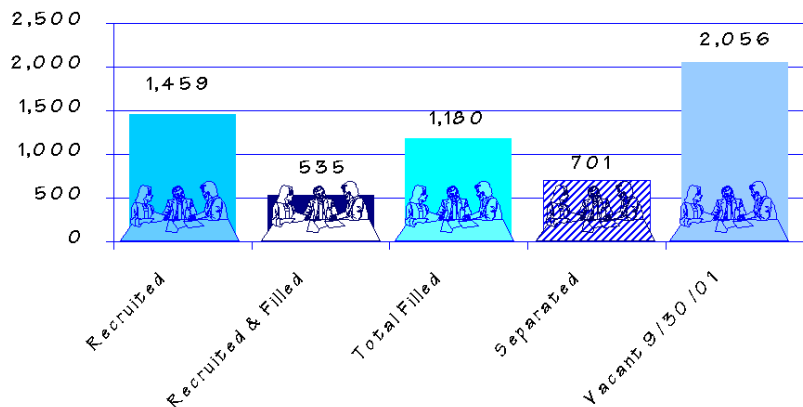
(\$ In Millions)

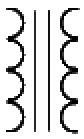


Maricopa County's economic growth has nurtured competition in the local job market, as evidenced in the health care arena. Due to the high vacancy rates in the health care industry, the County must continue to rely upon more costly and erratic contract labor to meet customer demands. Total Adjusted Patient Days are 1,997 over budget. 795 of these patient days are in the Psychiatric Units. Total contract labor for the 1st quarter of FY 2001-02 represents 8.4% of the Maricopa Health System workforce as seen on the chart at left.

The chart at right provides a Countywide glimpse of 1st quarter FY 2001-02 recruitment results. Of the 1,459 positions requisitioned (newly recruited), 535 or 36.7% were filled. 1,180 total positions were filled during the quarter. There were 701 separations, where employees voluntarily or involuntarily left the employ of the County during the 1st quarter. 2,056 positions remained vacant as of September 30, 2001.

MARICOPA COUNTY 1ST QUARTER FY 2001-02 RECRUITMENT RESULTS

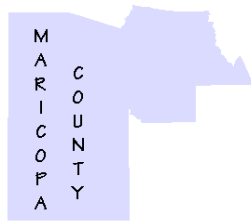




MARICOPA COUNTY POSITION COUNTS AS OF SEPTEMBER 30, 2001

15,832 Total Authorized Positions

13,776
Positions
Filled



2,056
Positions
Vacant

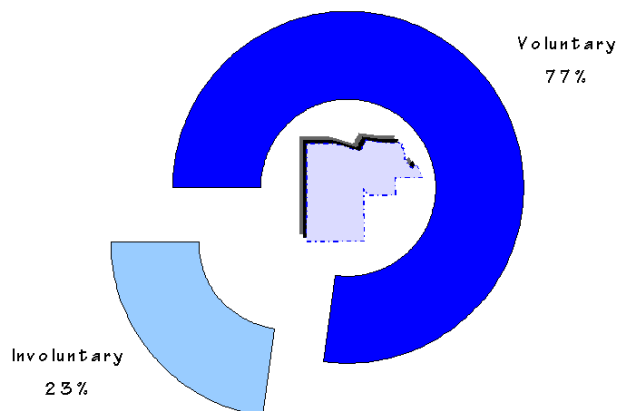


The chart at left addresses summary position counts as of September 30, 2001. Total authorized positions increased by 128 positions from FY 2000-01 while vacant positions increased by 95 over the same period.

Maricopa County strives to meet staffing objectives while increasing resource accountability through an ongoing commitment to attract and retain highly qualified, diversified and satisfied employees. The County maintains a value-added compensation plan, leave plan and employee programs that provides competitive salary, wages and benefits, creative recruitment and innovative retention strategies. One of the major areas recently addressed focuses upon educational and career growth in order to achieve employee satisfaction.

Separations, or the number of employees leaving the County, are classified as either voluntary or involuntary, as shown on the chart at right. Separation reasons provide management with an opportunity to assess and resolve staffing issues such as employee retention and impacts to customer service. The higher the voluntary separation rates the higher the financial and operational impact to County departments. Involuntary separation increases may reflect personnel training, recruitment or performance issues.

MAJOR SEPARATION REASONS 1ST QUARTER FY 2001-02





Valuable experience is lost when employee separations increase. This results in costly recruitment and training, while adversely impacting customer confidence. Maricopa County's emphasis on employee satisfaction is geared to stem the flow of quality individuals leaving its employ.

MARICOPA COUNTY EMPLOYEE SATISFACTION SURVEYS

| | | | | | |
|----------------------------------|----------|----------|----------------------|----------|----------|
| Working Conditions | | | Growth & Advancement | | |
| FY 95-96 | FY 97-98 | FY 00-01 | FY 95-96 | FY 97-98 | FY 00-01 |
| 5.73 | 5.76 | 5.91 | 5.27 | 5.46 | 5.65 |
| Compensation, Benefits & Rewards | | | Customer Orientation | | |
| FY 95-96 | FY 97-98 | FY 00-01 | FY 95-96 | FY 97-98 | FY 00-01 |
| 4.60 | 4.61 | 4.90 | 5.90 | 6.07 | 5.94 |
| Overall Satisfaction | | | | | |
| FY 95-96 | FY 97-98 | FY 00-01 | | | |
| 5.07 | 5.17 | 5.35 | | | |

Very Dissatisfied=2 Very Satisfied=8

Scores Above 5=Positive Scores Below 5=Negative

Maricopa County Employee Satisfaction Surveys provide management with critical information necessary to recruit and retain productive employees.

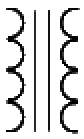
The County is moving forward in resolving retention and other employee issues, as addressed in the chart at left comparing FY 1995-96 Employee Satisfaction Survey results to those of FY 1997-98 and FY 2000-01. All areas of employee satisfaction have increased except for *customer orientation*. *Customer orientation* is defined as how well the unit and department focus on providing customer

satisfaction. Although the survey results are well above the 5.00 score, the decrease in satisfaction from FY 1997-98 alerts management to possible issues that need to be addressed.

The 1st quarter major salary advances completed through September 30, 2001 are listed on the table below. Salary advancements include all personnel actions, such as job reclassifications, special salary advancements, grade adjustments, performance increases, etc.

| DEPARTMENT | NUMBER OF SALARY ADVANCES | FY 2001-02 IMPACT | % TOTAL DEPARTMENT SALARIES |
|-------------------------|---------------------------|-------------------|-----------------------------|
| Sheriff | 2,051 | \$ 3,987,584 | 5.76% |
| County Attorney | 823 | \$ 2,279,851 | 8.63% |
| Maricopa Health Plan | 1,654 | \$ 2,210,756 | 4.87% |
| Indigent Representation | 428 | \$ 1,163,378 | 7.63% |
| Superior Court | 686 | \$ 796,449 | 4.11% |
| Human Services | 222 | \$ 541,934 | 10.95% |
| Maricopa Health System | 309 | \$ 537,013 | 7.02% |
| Adult Probation | 438 | \$ 458,254 | 3.52% |
| Clerk of Superior Court | 145 | \$ 348,410 | 11.22% |
| Juvenile Probation | 262 | \$ 335,797 | 4.70% |
| Medical Eligibility | 200 | \$ 319,555 | 6.58% |

Maricopa County's focus upon recruiting and retention strategies, along with results oriented performance, enables management to place a high value on its employees, provide quality customer directed services and achieves organization-wide objectives. Providing opportunities for balancing work and family while offering diversified employee compensation options in this tightening economy are key to retaining employees.



Personnel Costs & Savings

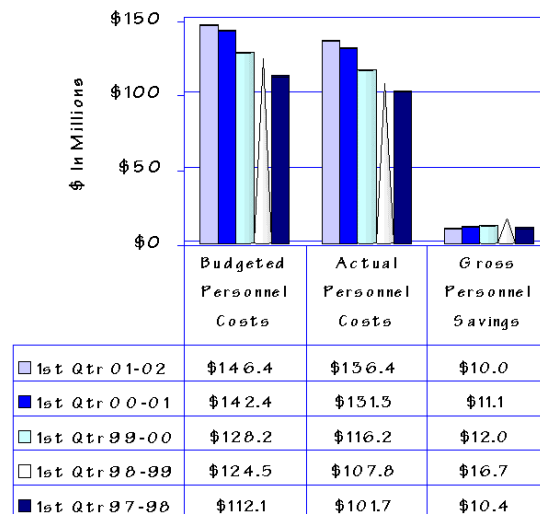
1st quarter FY 2001-02 actual personnel costs for all funds (excluding grants) total \$136.4 million and gross actual personnel savings for all funds total \$10.0 million. Gross actual personnel savings represent 6.8% of total personnel costs. The table below compares actual personnel savings to budget.

| MARICOPA COUNTY YTD 1ST QUARTER FY 2001-02 PERSONNEL SAVINGS - ALL FUNDS | | | | | | |
|--|------------------------|--------------------------------|--------------------------------------|----------------------------|-----------------------------------|--|
| Total Budget Personnel Costs | Actual Personnel Costs | Gross Actual Personnel Savings | % Gross Actual Savings/ Total Budget | Budgeted Personnel Savings | Net Actual Savings (Above Budget) | % Net Actual Savings/ Budgeted Savings |
| \$146,371,684 | \$136,386,233 | \$9,985,451 | 6.8% | \$6,284,354 | \$3,701,097 | 58.9% |

Personnel savings result when positions remain vacant, the actual pay of a position's incumbent is lower than budgeted, or when compensation plan funding remains unused.

PERSONNEL SAVINGS RESULTS

The chart at right provides five years of 1st quarter personnel savings results. Budgeted and actual personnel costs have steadily increased as have the number of authorized positions and actual positions filled. The table below provides position information for comparison.



| Maricopa County Regular Employees | | | | | |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 6/30/1998 | 6/30/1999 | 6/30/2000 | 6/30/2001 | 9/30/2001 |
| Number Authorized Positions | 13,255 | 13,947 | 14,709 | 15,704 | 15,832 |
| Number of Employees | 11,672 | 12,405 | 13,083 | 13,743 | 13,776 |



The table below shows major departmental savings as a percent of the total gross personnel savings. The departments shown represent \$6.8 million or 68.0% of the total gross personnel savings of \$10.0 million, which leaves \$3.2 million divided amongst the remaining 48 departments.

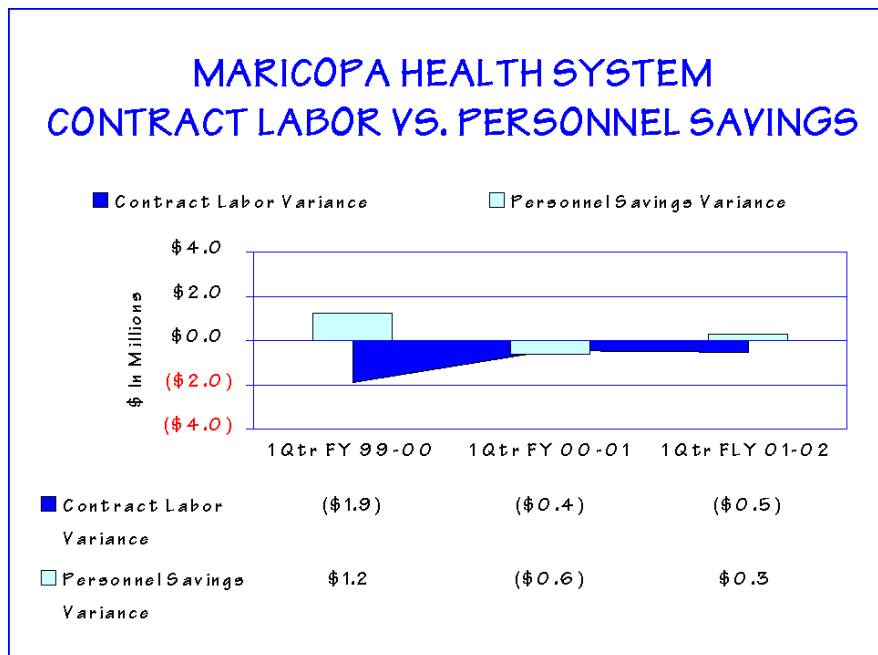
| Department | Gross Personnel Savings | % Total Gross Personnel Savings |
|-------------------------|-------------------------|---------------------------------|
| Sheriff | \$ 1,618,284 | 16.2% |
| County Attorney | \$ 1,412,516 | 14.1% |
| Correctional Health | \$ 662,399 | 6.6% |
| Superior Court | \$ 645,856 | 6.5% |
| Medical Eligibility | \$ 593,904 | 6.0% |
| Clerk of Superior Court | \$ 590,246 | 5.9% |
| Juvenile Probation | \$ 554,578 | 5.6% |
| Adult Probation | \$ 356,847 | 3.6% |
| Justice Courts | \$ 346,943 | 3.5% |

The Maricopa Health System represents 23.3% of Maricopa County's YTD 1st quarter FY 2001-02 budget personnel costs for all funds. The table below provides 1st quarter personnel results for the Maricopa Health System.

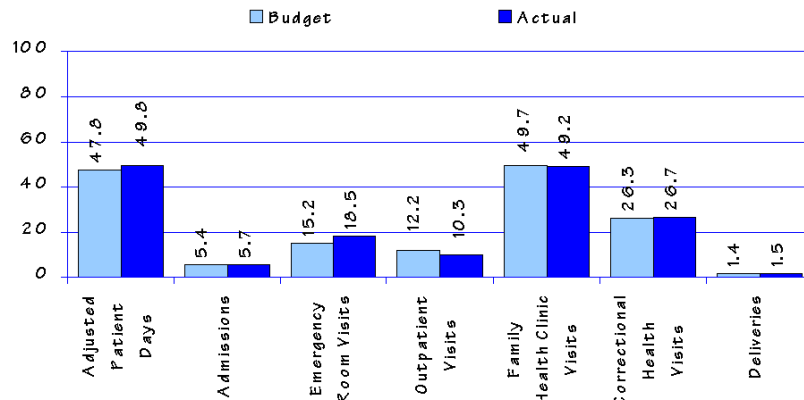
| Maricopa Health System 1st Quarter FY 2001-02 Personnel Results | | | |
|---|------------------------|-----------------------------------|-------------------------------------|
| Budget Personnel Costs | Actual Personnel Costs | Gross Personnel Savings to Budget | % Gross Personnel Savings to Budget |
| \$32,039,972 | \$31,765,052 | \$274,920 | 0.9% |

YTD 1st quarter FY 2001-02 gross actual personnel savings for the Maricopa Health System (MHS) are \$0.3 million or 0.9% over budget. MHS FY 2000-01 contract labor exceeded budget by (\$0.5) million or (13.5%).

The chart at right shows Maricopa Health System contract labor and personnel savings variances for the 1st quarter FY 1999-00, FY 2000-01 and FY 2001-02.



MARICOPA HEALTH SYSTEM 1ST QUARTER OPERATIONS RESULTS

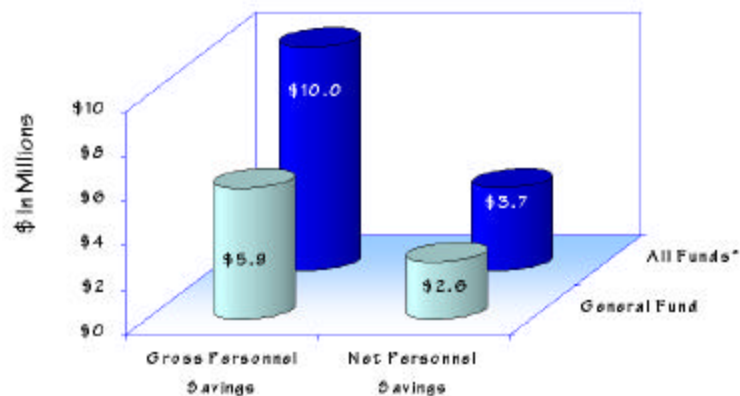


The growing demands for service continue to place additional burdens on the health system. The chart at left shows that all areas are expanding except outpatient and correctional health clinic visits.

The chart at right provides a comparison of gross personnel savings to net savings above budget for the General Fund vs. all funds.

YTD 1st quarter FY 2001-02 General Fund actual personnel costs total \$61.3 million and gross actual personnel savings for the General Fund total \$5.9 million. General Fund gross actual personnel savings represent 9.6% of actual personnel costs.

MARICOPA COUNTY 1ST QUARTER PERSONNEL SAVINGS COMPARISON



*All Funds Excluding Grants

MARICOPA COUNTY YTD 1ST QUARTER FY 2001-02 PERSONNEL SAVINGS - GENERAL FUND

| Total Budget Personnel Costs | Actual Personnel Costs | Gross Actual Personnel Savings | % Gross Actual Savings/ Total Budget | Budgeted Personnel Savings | Net Actual Savings (Above Budget) | % Net Actual Savings/ Budgeted Savings |
|------------------------------|------------------------|--------------------------------|--------------------------------------|----------------------------|-----------------------------------|--|
| \$67,321,907 | \$61,394,196 | \$5,927,711 | 8.8% | \$3,306,369 | \$2,621,342 | 79.3% |

MARICOPA COUNTY FINANCIAL AND PERSONNEL RESULTS REPORT 1ST QUARTER FY 2001-02

The table below shows the 1st quarter YTD FY 2001-02 General Fund personnel savings by department.

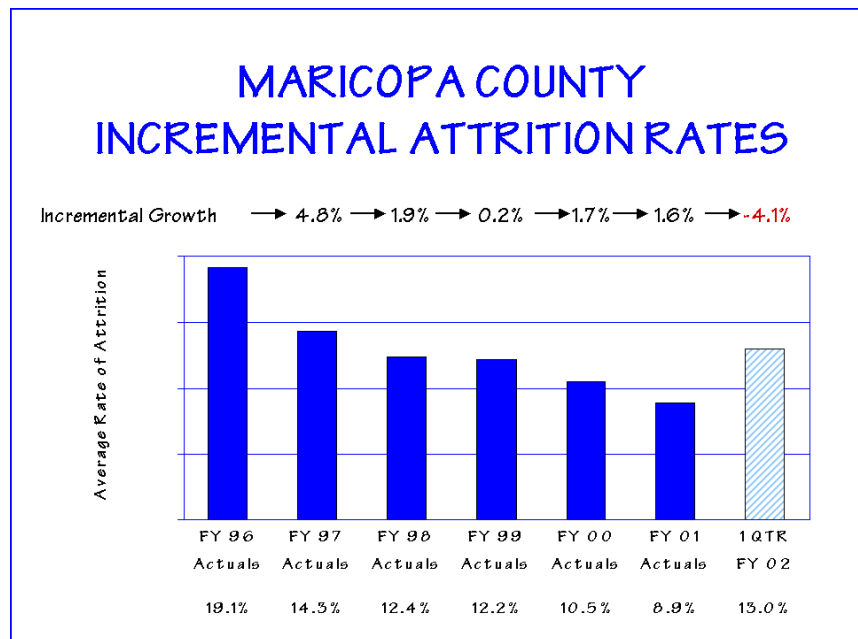
| AGENCY NAME | GROSS BUDGET PERSONNEL COSTS | ACTUAL PERSONNEL COSTS | GROSS PERSONNEL SAVINGS | BUDGETED PERSONNEL SAVINGS | NET ACTUAL PERSONNEL SAVINGS | GROSS ACTUAL VARIANCE TO BUDGET |
|---------------------------------|------------------------------------|------------------------------|-------------------------------|----------------------------------|------------------------------------|---------------------------------------|
| ADULT PROBATION | 2,652,826 | 2,515,475 | 137,351 | 90,906 | 46,445 | 5.2% |
| ANIMAL CARE AND CONTROL | 49,494 | 49,494 | - | - | - | 0.0% |
| ASSESSOR | 3,178,643 | 3,024,618 | 154,025 | 155,727 | (1,702) | 4.8% |
| BOARD OF SUPERVISORS CLERK | 93,201 | 85,529 | 7,672 | - | 7,672 | 8.2% |
| BOARD OF SUPERVISORS DISTRICT 1 | 54,630 | 58,652 | (4,022) | - | (4,022) | (4.3%) |
| BOARD OF SUPERVISORS DISTRICT 2 | 50,990 | 43,289 | 7,701 | - | 7,701 | 15.1% |
| BOARD OF SUPERVISORS DISTRICT 3 | 52,295 | 50,264 | 2,031 | - | 2,031 | 3.9% |
| BOARD OF SUPERVISORS DISTRICT 4 | 49,225 | 44,525 | 4,700 | - | 4,700 | 9.5% |
| BOARD OF SUPERVISORS DISTRICT 5 | 52,197 | 57,777 | (5,580) | - | (5,580) | (10.7%) |
| CHIEF INFORMATION OFFICER | 1,011,378 | 941,173 | 70,205 | 59,983 | 10,222 | 134.5% |
| CLERK OF SUPERIOR COURT | 4,864,224 | 4,451,896 | 412,328 | 278,117 | 134,211 | 8.5% |
| CONSTABLES | 364,362 | 364,170 | 192 | - | 192 | 0.0% |
| COUNTY ADMINISTRATION OFFICE | 281,544 | 198,851 | 82,693 | 8,307 | 74,386 | 29.4% |
| COUNTY ATTORNEY | 9,407,314 | 8,235,555 | 1,171,759 | 326,609 | 845,150 | 12.5% |
| COUNTY CALL CENTER | 283,022 | 255,692 | 27,330 | 12,340 | 14,990 | 9.7% |
| ELECTIONS | 724,460 | 626,202 | 98,258 | 29,019 | 69,239 | 13.6% |
| EMERGENCY MANAGEMENT | 16,984 | 11,489 | 5,495 | 2,542 | 2,953 | 32.4% |
| ENVIRONMENTAL SERVICES | 138,428 | 125,668 | 12,760 | 2,291 | 10,469 | 9.2% |
| FACILITIES MANAGEMENT | 2,274,993 | 2,073,248 | 201,745 | 151,291 | 50,454 | 8.9% |
| FINANCE | 470,527 | 393,047 | 77,480 | 22,562 | 54,918 | 16.5% |
| GENERAL GOVERNMENT | 50,009 | 34,172 | 15,837 | - | 15,837 | 31.7% |
| HEALTH CARE MANDATES | 539,920 | 350,327 | 189,593 | 19,156 | 170,437 | 35.1% |
| HUMAN RESOURCES | 941,056 | 882,930 | 58,126 | 26,904 | 31,222 | 6.2% |
| HUMAN SERVICES | 89,474 | 99,774 | (10,300) | - | (10,300) | (11.5%) |
| INDIGENT REPRESENTATION | 6,994,117 | 6,586,943 | 407,174 | 228,822 | 178,352 | 5.8% |
| INTERNAL AUDIT | 245,262 | 241,614 | 3,648 | 4,494 | (846) | 1.5% |
| JUDICIAL MANDATES | 546,401 | 505,286 | 41,115 | 37,971 | 3,144 | 7.5% |
| JUSTICE COURTS | 3,162,053 | 2,836,861 | 325,192 | 133,253 | 191,939 | 10.3% |
| JUVENILE PROBATION | 2,462,816 | 2,274,483 | 188,333 | 69,700 | 118,633 | 7.6% |
| MANAGEMENT & BUDGET | 397,288 | 338,548 | 58,740 | 20,666 | 38,074 | 14.8% |
| MATERIALS MANAGEMENT | 333,509 | 326,996 | 6,513 | 26,099 | (19,586) | 2.0% |
| MEDICAL ELIGIBILITY | 3,294,102 | 2,700,198 | 593,904 | 263,253 | 330,651 | 149.5% |
| MEDICAL EXAMINER | 870,471 | 748,753 | 121,718 | 50,694 | 71,024 | 14.0% |
| PARKS AND RECREATION | 313,113 | 233,240 | 79,873 | 17,116 | 62,757 | 25.5% |
| PUBLIC FIDUCIARY | 407,474 | 388,145 | 19,329 | 21,234 | (1,905) | 4.7% |
| PUBLIC HEALTH | 1,245,363 | 1,070,885 | 174,478 | 73,857 | 100,621 | 14.0% |
| RECORDER | 385,515 | 355,795 | 29,720 | 21,251 | 8,469 | 7.7% |
| SHERIFF | 9,142,966 | 8,458,738 | 684,228 | 781,032 | (96,804) | 7.5% |
| SUPERINTENDENT OF SCHOOLS | 376,788 | 309,535 | 67,253 | 15,144 | 52,109 | 17.8% |
| SUPERIOR COURT | 8,735,747 | 8,398,673 | 337,074 | 324,741 | 12,333 | 3.9% |
| TREASURER | 717,726 | 645,686 | 72,040 | 31,288 | 40,752 | 10.0% |
| | 67,321,907 | 61,394,196 | 5,927,711 | 3,306,369 | 2,621,342 | 8.8% |

Attrition

Maricopa County's 1st quarter FY 2001-02 attrition⁵, or turnover, stands at 13.0%. Increases in 1st quarter attrition rates may occur due to budgeted increases in the number of new positions coming on-board annually, as of July 1st.

A marked *decrease* in attrition Countywide occurred between FY 1995-96 and FY 2000-01. As demonstrated on the chart at right, quarterly attrition rates increased for the 1st quarter FY 2001-02. This is primarily due to new budgeted positions that remained unfilled during the 1st quarter.

Additional details regarding new budgeted positions and vacancies by department, as of September 30, 2001, are provided on the table below.⁶



Departments showing the highest vacancies as of September 30, 2001 are listed below with variances from June 30, 2001. Additional information, "New Budgeted Positions" represents the variance between the number of new positions authorized in the FY 2000-01 budget as of June 30, 2001, and the number of new positions authorized in the FY 2001-02 budget.

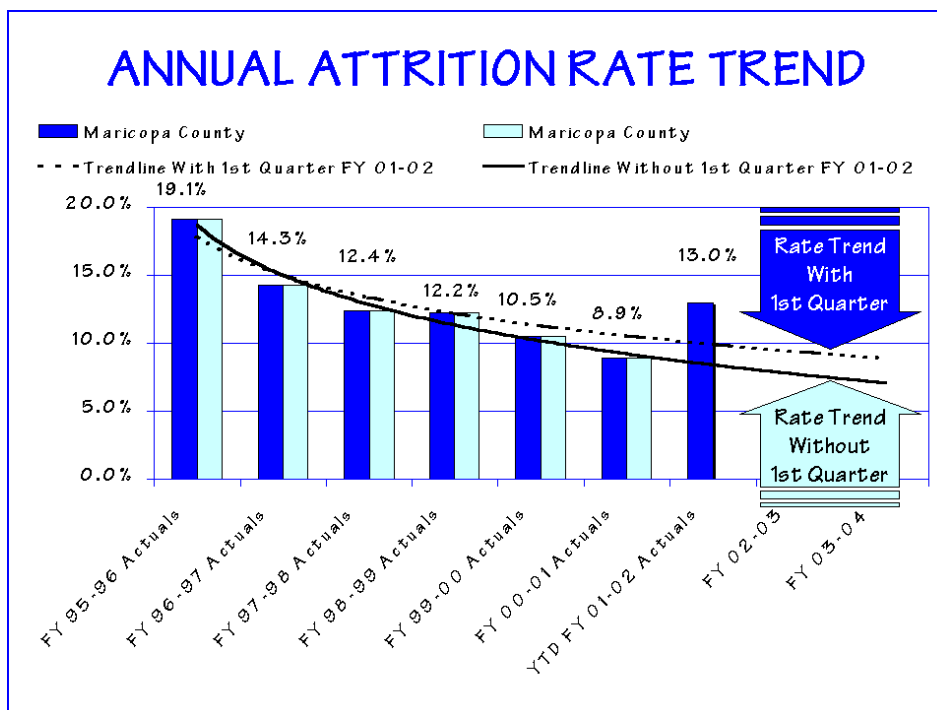
| Department | New Budgeted Positions More (Less) | Vacancies as of 6/30/01 | Vacancies as of 9/30/01 | Vacancy Variance More (Less) |
|-------------------------|---------------------------------------|----------------------------|----------------------------|---------------------------------|
| Maricopa Health System | 117 | 814 | 904 | 90 |
| Sheriff | 1 | 181 | 184 | 3 |
| Maricopa Health Plan | (34) | 124 | 101 | (23) |
| Public Health | 36 | 54 | 94 | 40 |
| Adult Probation | 1 | 76 | 87 | 11 |
| County Attorney | 1 | 76 | 84 | 8 |
| Clerk of Superior Court | 14 | 73 | 77 | 4 |
| Correctional Health | (6) | 52 | 64 | 12 |
| Superior Court | 12 | 61 | 52 | (9) |
| Transportation | (3) | 52 | 50 | (2) |

⁵ The formula used to calculate Maricopa County's attrition rates compares the number of vacant positions to total authorized positions.

⁶ Departments with small numbers of employees (less than 25) are not used for demonstration purposes. A change of one or two vacancies, positions or terminations in small departments reflects a higher percentage change than those same movements within larger departments. These higher percentage changes may or may not reflect significant issues within these smaller departments.

Maricopa County departments with average annual County calculated attrition at or higher than the 1st quarter FY 2001-02 13.0% average are compared to the FY 2000-01 average attrition on the table below, including basis point reductions or increases in attrition.

| Department | FY 00-01 Avg. Attrition | 1st Quarter FY 2001-02 | Variance Lower (Higher) |
|---------------------------|-------------------------|------------------------|----------------------------|
| Health Care Mandates | 34.3% | 40.4% | (6.1) |
| Correctional Health | 14.0% | 29.1% | (15.1) |
| Maricopa Health System | 19.0% | 27.8% | (8.8) |
| Superintendent of Schools | 5.0% | 26.7% | (21.7) |
| Maricopa Health Plan | 19.2% | 23.0% | (3.8) |
| Finance | 12.6% | 18.4% | (5.8) |
| Public Health | 11.3% | 18.2% | (6.9) |
| Housing | 18.4% | 15.9% | 2.5 |
| Animal Care & Control | 12.7% | 15.1% | (2.4) |

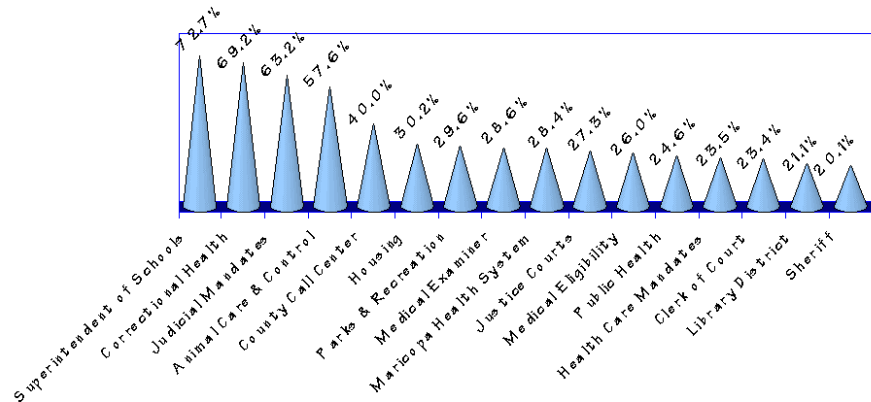


As shown on the chart at left, Maricopa County's incremental attrition rate trend without the 1st quarter FY 2001-02 declined by over 53% since FY 1995-96. The incremental attrition rate trend with the 1st quarter FY 2001-02 declines by only 32%.

Maricopa County utilizes the Bureau of National Affairs, Inc., (BNA), methodology in calculating attrition. The BNA calculated attrition formula looks at separating employees (true attrition based upon employees leaving the County) versus the number of vacant positions (or vacancy rate) as compared in the County formula. During departmental strategic planning and the annual budget process, an emphasis is placed upon the BNA formula in order to highlight possible retention issues. Vacant positions are then examined to ensure correct funding levels.

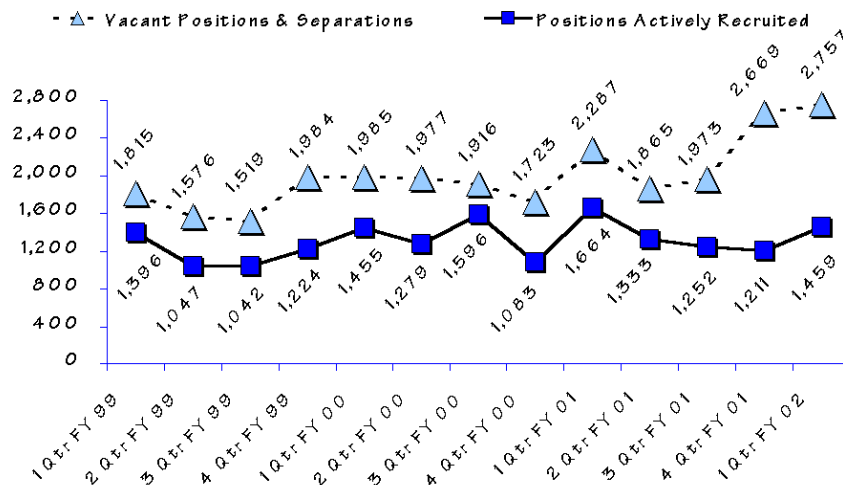
HIGHEST COUNTY BNA* CALCULATED ATTRITION RATES BY DEPARTMENT

Departments with more than 25 employees, showing the highest rates of BNA calculated attrition are provided on the chart at right. Maricopa County's 1st quarter FY 2001-02 average BNA attrition rate is 20.4%. Issues are being addressed to reduce the relatively high turnover in these departments.



* Bureau of National Affairs

VACANT POSITIONS & SEPARATIONS VS. ACTIVELY RECRUITED POSITIONS



The chart at left shows the number of positions vacant at the end of the 1st quarter, FY 2001-02, including separations occurring throughout the quarter, as compared to the total number of positions actively recruited during the quarter.

There were 701 employees separating and 639 new vacant positions created, and 1,459 positions recruited during the 1st quarter FY 2001-02. 2,056 positions were vacant as of September 30, 2001. Analysis of this data assists management in determining the impact of recruitment efforts on attrition.

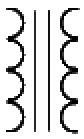
Attrition may be directly related to employee satisfaction. Employee issues are addressed through employee satisfaction survey results annually. Maricopa County continues to place an emphasis on employee compensation through market equity. Market equity has been achieved through salary surveys and other ongoing initiatives to retain capable and responsible staff. By attaining a level of pay for all employees that is relative to current market pay-rates resolves significant problems that have hindered the County's ability to attract and retain a quality workforce.



MARICOPA COUNTY ATTRITION RATE CALCULATIONS BY DEPARTMENT

| AGENCY NAME | FY 2002 1st QTR COUNTY CALCULATED ATTRITION | AVERAGE YTD 4TH QTR FY 2001 COUNTY CALCULATED ATTRITION | FY 2002 1ST QTR ANNUALIZED BNA ATTRITION | YTD 4TH QTR FY 2001 ANNUALIZED BNA CALCULATED ATTRITION |
|--------------------------------------|--|---|--|--|
| ADULT PROBATION | 7.5% | 8.2% | 11.1% | 9.5% |
| ANIMAL CARE AND CONTROL | 15.1% | 12.7% | 57.6% | 33.1% |
| ASSESSOR | 7.3% | 7.9% | 11.9% | 9.5% |
| BOARD OF SUPERVISORS CLERK | 12.5% | 3.6% | 0.0% | 0.0% |
| BOARD OF SUPERVISORS DISTRICT 1 | 25.0% | 0.0% | 0.0% | 0.0% |
| BOARD OF SUPERVISORS DISTRICT 2 | 0.0% | 16.7% | 0.0% | 33.3% |
| BOARD OF SUPERVISORS DISTRICT 3 | 0.0% | 0.0% | 0.0% | 0.0% |
| BOARD OF SUPERVISORS DISTRICT 4 | 0.0% | 0.0% | 0.0% | 0.0% |
| BOARD OF SUPERVISORS DISTRICT 5 | 0.0% | 6.3% | 0.0% | 0.0% |
| CLERK OF SUPERIOR COURT | 12.0% | 11.7% | 23.4% | 16.8% |
| COMMUNITY DEVELOPMENT | 0.0% | 0.0% | 0.0% | 0.0% |
| CONSTABLES | 0.0% | 2.5% | 0.0% | 10.0% |
| CORRECTIONAL HEALTH | 29.1% | 14.0% | 69.2% | 23.6% |
| COUNTY ADMINISTRATION OFFICE | 16.7% | 14.1% | 26.7% | 7.7% |
| COUNTY ATTORNEY | 9.2% | 8.2% | 18.3% | 16.3% |
| COUNTY CALL CENTER | 9.1% | 9.8% | 40.0% | 24.2% |
| CRIMINAL JUSTICE FACILITIES | 0.0% | 10.0% | 0.0% | 0.0% |
| DEPARTMENT OF FINANCE | 18.4% | 12.6% | 12.9% | 9.7% |
| ELECTIONS | 0.0% | 5.1% | 14.8% | 13.2% |
| EMERGENCY MANAGEMENT | 0.0% | 5.1% | 0.0% | 13.3% |
| ENVIRONMENTAL SERVICES | 9.7% | 6.2% | 7.9% | 11.3% |
| EQUIPMENT SERVICES | 1.6% | 3.6% | 0.0% | 9.8% |
| FACILITIES MANAGEMENT | 7.1% | 6.6% | 13.3% | 9.3% |
| FLOOD CONTROL DISTRICT | 7.6% | 4.8% | 15.5% | 5.3% |
| HEALTH CARE MANDATES | 40.4% | 34.3% | 23.5% | 62.2% |
| HOUSING | 15.9% | 18.4% | 30.2% | 21.4% |
| HUMAN RESOURCES | 3.7% | 7.7% | 15.2% | 3.8% |
| HUMAN SERVICES | 6.2% | 7.1% | 16.7% | 18.7% |
| INDIGENT REPRESENTATION | 5.3% | 9.8% | 16.5% | 10.9% |
| INTEGRATED CRIMINAL JUSTICE INFORMAT | 7.1% | 6.3% | 0.0% | 0.0% |
| INTERNAL AUDIT | 0.0% | 7.8% | 0.0% | 6.3% |
| JUDICIAL MANDATES | 7.3% | 19.5% | 63.2% | 13.9% |
| JUSTICE COURTS | 7.0% | 5.8% | 27.3% | 11.5% |
| JUVENILE PROBATION | 6.0% | 6.2% | 11.7% | 8.4% |
| LIBRARY DISTRICT | 8.1% | 11.0% | 21.1% | 16.1% |
| MANAGEMENT & BUDGET | 15.8% | 11.8% | 50.0% | 23.5% |
| MARICOPA HEALTH PLAN | 23.0% | 19.2% | 15.4% | 26.1% |
| MARICOPA HEALTH SYSTEM | 27.8% | 19.0% | 28.4% | 26.6% |
| MATERIALS MANAGEMENT | 2.6% | 5.3% | 10.8% | 7.9% |
| MEDICAL ELIGIBILITY | 5.1% | 13.5% | 26.0% | 13.8% |
| MEDICAL EXAMINER | 11.1% | 8.7% | 28.6% | 14.0% |
| OFFICE OF THE CIO | 9.1% | 5.4% | 20.0% | 6.5% |
| PARKS & RECREATION | 8.0% | 10.0% | 29.6% | 18.4% |
| PLANNING & DEVELOPMENT | 3.7% | 10.3% | 3.9% | 10.0% |
| PUBLIC FIDUCIARY | 8.6% | 8.1% | 12.5% | 9.1% |
| PUBLIC HEALTH | 18.2% | 11.3% | 24.6% | 17.1% |
| RECORDER | 5.8% | 14.6% | 6.2% | 19.7% |
| RESEARCH & REPORTING | 33.3% | 13.6% | 0.0% | 50.0% |
| RISK MANAGEMENT | 5.0% | 5.0% | 0.0% | 16.7% |
| SHERIFF | 7.4% | 7.6% | 20.4% | 11.5% |
| SOLID WASTE GENERAL | 16.7% | 8.3% | 40.0% | 0.0% |
| STADIUM DISTRICT MLB | 0.0% | 0.0% | 0.0% | 25.0% |
| SUPERINTENDENT OF SCHOOLS | 26.7% | 5.0% | 72.7% | 26.1% |
| SUPERIOR COURT | 5.5% | 7.7% | 18.3% | 16.1% |
| TELECOMMUNICATIONS | 4.7% | 8.3% | 0.0% | 10.0% |
| TRANSPORTATION | 10.1% | 8.7% | 15.2% | 8.1% |
| TREASURER | 10.9% | 11.3% | 7.0% | 9.1% |
| TOTALS | 13.0% | 8.9% | 20.4% | 15.6% |

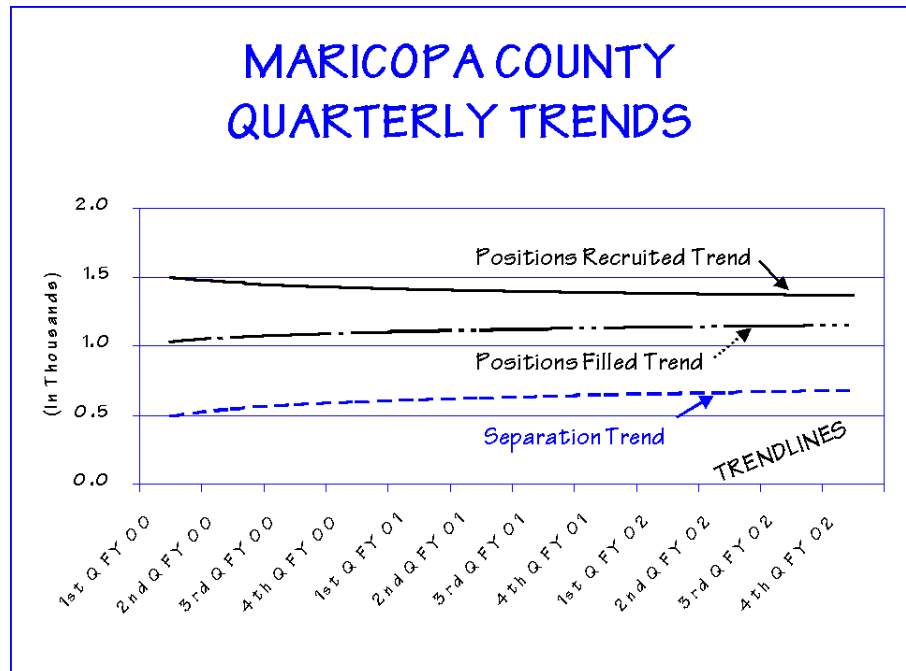
Attrition is an indication of how well employers hold on to their employees. Maricopa County continues to examine employee issues in combination with recruitment and retention efforts in order to stem the tide of attrition.



Employee Retention

Maricopa County strives to maintain a highly competitive stance in the labor marketplace today. Evaluating the County's personnel retention programs through measurable performance results in such areas as employee satisfaction, recruitment strategies and employee separations play a crucial role in identifying employee needs.

One measure of retention success is demonstrated through the trend results provided on the chart at right. The separation trendline is increasing slightly while recruitment and positions filled appear flat through year-end. Recruitment efforts may play a significant role in filling newly created positions.



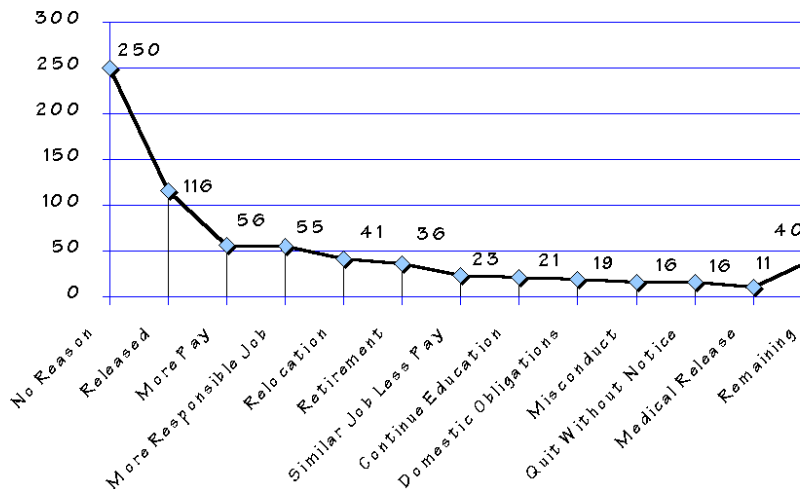
Separations impose the most significant financial and operational impacts to County departments. Examples include lost productivity, increased recruitment activity, additional training time and cost, reductions in the level of customer service, and reduced employee morale due to additional demands placed upon existing employees that assume extra workloads. Emphasis is placed upon voluntary separations due to their greater impact on attrition, employee morale, and customer service.

Separation information is vital to improving the quality of working life as well as solving attrition issues. Separations remain a key indicator of employee satisfaction and provide management with an opportunity to assess and resolve staffing issues.

Maricopa County's retention strategy strives to align employee performance with a personal commitment and cooperation in achieving and maintaining Countywide strategic goals while stemming the flow of quality individuals leaving its employ. Customer satisfaction is adversely impacted during periods of high turnover.



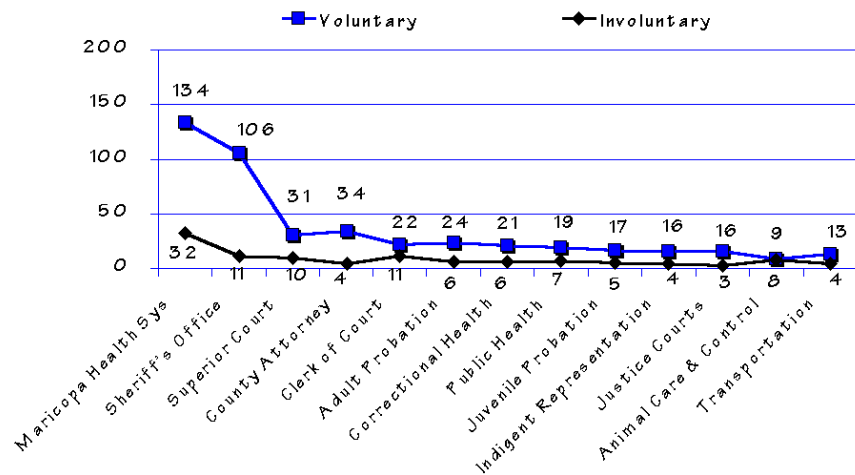
SEPARATIONS BY CATEGORY 1ST QUARTER FY 2001-02



The chart at left provides the top separations by category for the 1st quarter FY 2001-02.

MAJOR DEPARTMENTAL SEPARATIONS

YTD 1st quarter FY 2001-02 separations total 700. The departments showing the largest number of separations are provided on the chart at right. Separations are broken-out by voluntary and involuntary.



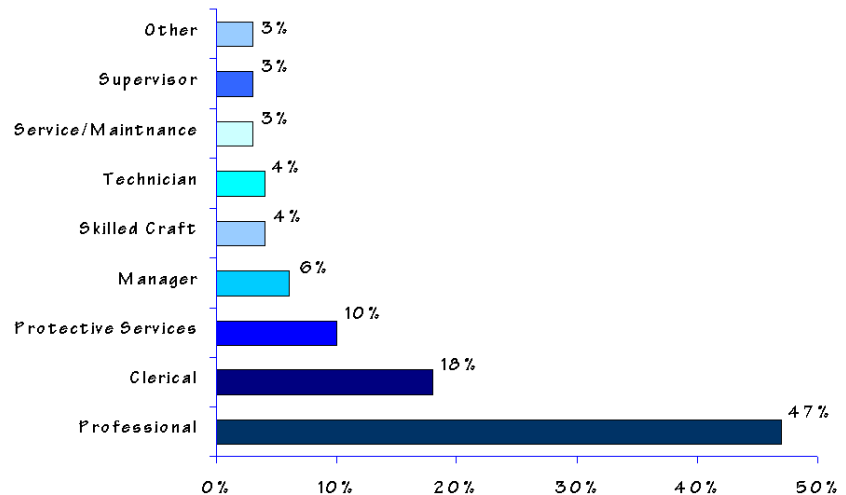
Separations play a major role in identifying employee needs. By examining separation reasons, management is able to address current issues, increase employee satisfaction and reduce the number of employees leaving the County voluntarily. Information provided by separating employees is a critical factor in improving the work environment, quality of work generated and customer satisfaction.



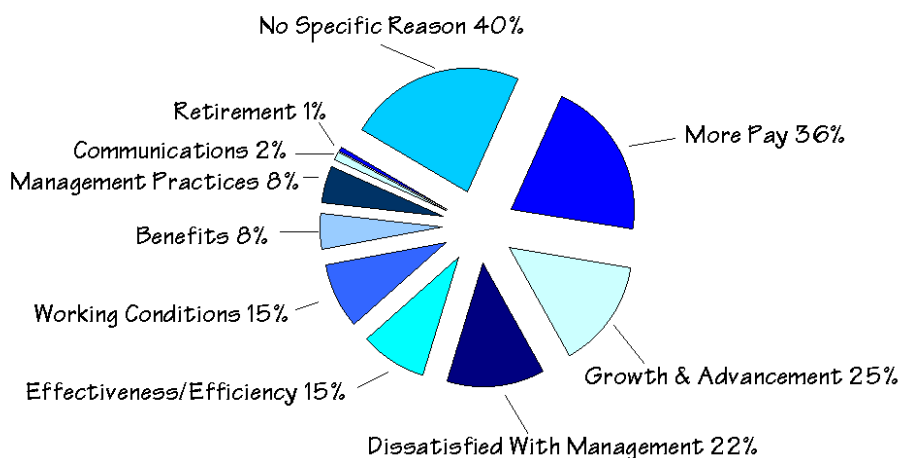
Departments collect separation data upon termination of employment for reporting purposes. After termination the Maricopa County Research and Reporting department conducts confidential exit interviews. The result of the interviews is compiled and reported in such a way as to maintain the privacy of the individuals interviewed. It is believed that this information is more accurate than the information obtained by the department due to the ability to maintain anonymity.

The chart at right shows the job classifications of employees leaving the County voluntarily during FY 2000-01. This information was obtained via exit interviews performed after separation from County employment.

EXIT INTERVIEW RESULTS SEPARATIONS BY JOB CLASSIFICATION

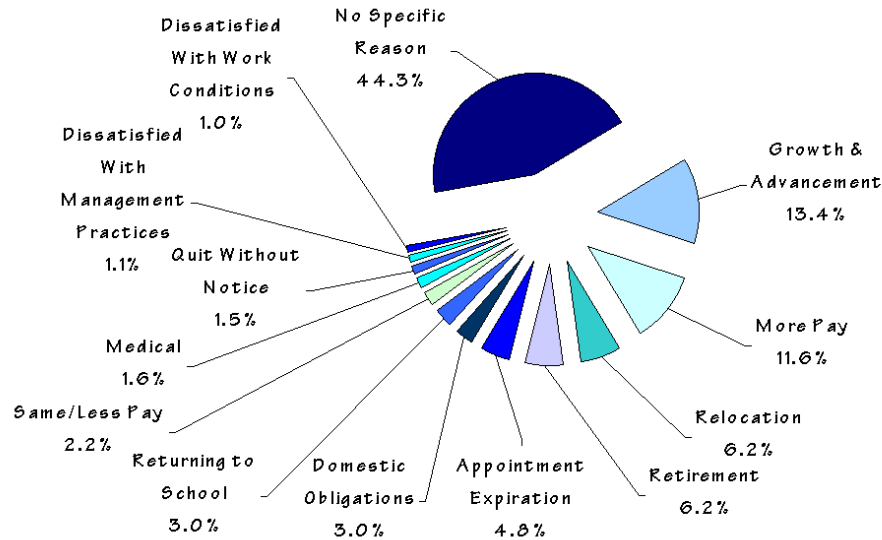


FY 2000-01 EXIT INTERVIEW VOLUNTARY SEPARATION REASONS



The chart at left provides the top separation reasons given by employees after separating through the exit interview process, as performed by the County's Research and Reporting department.

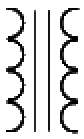
FY 2000-01 DEPARTMENT SUBMITTED VOLUNTARY SEPARATION REASONS



The chart on the previous page can be compared to the chart at left, which represents FY 2000-01 department submitted separation reasons.

Separation reasons, as shown on both charts, represent voluntary separations only. 1st quarter FY 2001-02 interviews were not available at the time of this printing.

It is incumbent upon management to analyze employee separation reasons in order to develop retention strategies. Successful employee retention results require knowledge of employee issues, knowledge of the competition in the local job market and a management team that is equipped to assess emerging personnel trends in order to promote a climate where employees are provided personal and career growth opportunities.



New Directions

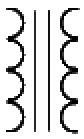
The County's focus on *Managing for Results* initiatives is designed to promote accountability to citizens and enhance the quality of life for all residents, while increasing employee satisfaction. Strategic Planning is the backbone of Managing for Results (MfR). Maricopa County's Strategic Planning process provides the tools necessary for management to make informed decisions. MfR contributes to Maricopa County's ability to maintain its strategic position as a leader in the local labor market.

Maricopa County encourages fiscal responsibility at all levels. Measuring strategic financial and personnel results indicates to management the level of success attained in promoting a climate where employees are provided personal and career growth opportunities. The Managing for Results (MfR) Strategic Planning Performance Results provide County management with a vehicle for improving its decision-making processes.

The chart at right lists the key activities associated with attaining Strategic Planning Performance Results. These key activities provide management with the tools necessary to make informed financial and personnel resources decisions that affect employees as well as the citizens of Maricopa County.



Maricopa County's preparation to enter its second budget season utilizing MfR strategic planning processes is about to begin. Improved and reliable data collection methods and analysis enabling departments to better measure their results in terms of attaining strategic objectives have been implemented. Maricopa County's *Advantage* financial system now provides Program, Activity and Service (PAS) accounting codes for capturing expenditure activity (payroll and non-payroll). Another MfR financial system tool being rolled out to departments is the JAMIS time and attendance system. This system records a department's personnel resource utilization at the PAS level.



Another innovation is the new MfR Forum that is used to keep employees informed. The purpose of this Forum is to provide a communication tool for All County employees. The MfR Forum allows participants to ask questions, receive responses, share experiences, ideas, tools and resources, and provides MfR & PAS Costing updates and project information.

Measuring performance is a way for departments to "tell their story". Performance measures define the information that management needs to control. Performance measures are tied directly to the operations of the department, i.e., activities and services. Maricopa County has chosen a balanced and practical approach to performance measurement by using a family of measures that includes results, outputs, demands and efficiency measures. The chart at right reveals several characteristics of high quality performance measures.

PERFORMANCE MEASUREMENT

- ▶ RELEVANT - Logically and directly related to the organization or activity purpose.
- ▶ UNDERSTANDABLE - Communicated in a clear manner.
- ▶ CONSISTENT - Used uniformly in planning, budgeting, accounting and reporting systems.
- ▶ COMPARABLE - Provides a clear frame of reference for assessing performance over time to demonstrate performance trends.
- ▶ TIMELY - Available to users before information loses its value in assessing accountability and making decisions.
- ▶ RELIABLE - Derived from systems that produced controlled and verifiable data.

Maricopa County's financial and personnel resource focus must address mandated services and align hiring practices with organization wide strategic goals. County mandated services such as law enforcement, healthcare and attending to the welfare and safety of its citizens require a large labor force. Hence, developing programs to enhance employee satisfaction and motivation remain at the forefront of all financial and personnel resource issues. These programs must address employee compensation, health issues, morale, productivity and organizational knowledge that enhances a personal commitment and cooperation in attaining Countywide objectives.